

INTERNATIONAL BUSINESS NEWS – NOVEMBER 2006

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

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- **Dennis Millard, International Trade Specialist**
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UPCOMING LOCAL EVENT:

ARKANSAS AND JAPAN - PARTNERS FOR THE FUTURE

Luncheon Program – Tuesday, November 14, 2006

10:30 a.m. – 1:00 p.m.

Little Rock Regional Chamber of Commerce

One Chamber Plaza, Little Rock

Directions: <http://www.littlerockchamber.com/directions.htm>

\$35 registration fee (lunch provided)

Presentations will include:

Arkansas and Japan - Governor Mike Huckabee

Acxiom in Japan - Nancy Barr, Acxiom Corporation

Shinkoh Technologies in Arkansas - Fred Tennant, Shinkoh Technologies

JETRO's Services for the Arkansas Business Community

Thomas Conry, Japan External Trade Organization, Houston (JETRO-Houston)

To register online go to:

<http://www.littlerockchamber.com/jetro.htm>

Arkansas's Top 25 Exports to Japan – 2005

Prepared by WISERTrade using data from US Census Bureau, Foreign Trade Division

Provided by Webster University – Little Rock & St. Louis

Miscellaneous Chemical Products

Organic Chemicals

Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc

Plastics and Articles Thereof

Meat and Edible Meat Offal

Beverages, Spirits and Vinegar

Prep Vegetables, Fruit, Nuts or Other Plant Parts

Vehicles, Except Railway or Tramway, and Parts Etc

Industrial Machinery, Including Computers

Optic, Photo Etc, Medic or Surgical Instrmnts Etc

Electric Machinery Etc; Sound Equip; Tv Equip; Pts

Glass and Glassware

Essential Oils Etc; Perfumery, Cosmetic Etc Preps

Inorg Chem; Prec & Rare-Earth Met & Radioact Compd

Rubber And Articles Thereof

Toys, Games & Sport Equipment; Parts & Accessories

Ships, Boats And Floating Structures

Miscellaneous Articles of Base Metal

Miscellaneous Edible Preparations

Tools, Cutlery Etc. of Base Metal & Parts Thereof

Products Of Animal Origin, Nesoi

Live Animals

Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd

Cotton, Including Yarn And Woven Fabric Thereof

Salt; Sulfur; Earth & Stone; Lime & Cement Plaster

MEXICO TRADE FAIR CERTIFICATION

Some American companies may be hesitant to take part in a trade show in Mexico. However, a Mexican trade show certified by the U.S. Department of Commerce provides prospective American exhibitors with the confidence that they will be participating in a well-organized and reputable trade show with a track record of quality and success. American firms that attend a Certified Trade Show benefit from the confidence that comes with the seal of approval of the U.S. Department of Commerce. American firms also benefit from the support and services of U.S. Department of Commerce staff, both in the United States and Mexico, in order to maximize the benefits of exhibiting at the show.

The U.S. Department of Commerce has extended experience in working not only with large entities, but also with small- and medium-sized firms, particularly those that are new to market and new to export. Certified Trade Shows are certain to have a well-rounded presence of American firms, which attracts more buyers and in turn opens up more information and opportunities on the local market. Participating American companies optimize their exposure through U.S. Department of Commerce localized marketing and promotional programs.

Mexican trade shows are normally much smaller but more focused on a specific industrial or commercial sector than their American counterparts. Attendance is generally low compared to similar U.S. based shows, attracting attendees with more focused and specific interests. Mexican trade shows attract a higher level of decision-making executives than do shows in the United States.

Upcoming Certified Trade Shows In Mexico

- Expo Construcción 2007. Hermosillo, Sonora, March 21-23. "Evento Internacional de proveedores de bienes y servicios para la industria de la construcción" An international event of suppliers of consumer goods and services for the construction industry. <http://www.expo-construccion.net/>
- Expo Calzado y Accesorios. Monterrey, March 30-April 3, 2007. "Exposicion de calzado, bolsas y accesorios primavera-verano." An exposition of footwear, purses, and Spring to Summer accessories. http://www.cintermex.com.mx/index.php?option=com_events&task=view_detail&agid=22&year=2006&month=03&day=31&Itemid=132&lang=es
- Expo Manufactura (Considering Certification). Monterrey, March 13-15, 2007. "EXPO MANUFACTURA™ 2007 es hoy por hoy su mejor aliado para presentar los nuevos equipos y tecnologías que demanda la industria de la manufactura de nuestro país." Expo Manufactura™ is at the present time the best method of displaying new equipment and technologies that the manufacturing industry of our country demands. <http://www.expomanufactura.com.mx/>

For More Information The U.S. Commercial Service in [Insert CS Office Monterrey, Mexico can be contacted via e-mail at: Josefina.Martinez@mail.doc.gov; Phone: 52-81-8343-4450]; Fax: 52-81-8342-5172 or visit our website: <http://www.buyusa.gov/mexico>

U.S. SEEKS TO BALANCE TRADE, SECURITY CONCERNS ON MEXICO BORDER

Commerce Department official stresses goal of speeding movement of goods
Edited from a Report by Eric Green
Washington File Staff Writer
20 October 2006

The United States is making a strong push to cut the "crossing time" of legitimate goods being brought across its border with Mexico. U.S. Commerce Department official David Bohigian told reporters October 20 that the crossing time for bringing goods between the U.S. city of Detroit and the Canadian city of Windsor has been cut almost in half. With \$35 million in goods crossing the U.S.-Mexican border every hour, Bohigian said, the goal is to achieve similar gains for moving goods across the Mexican border between Nuevo Laredo, Mexico, and Laredo, Texas, and at other land crossings, as well as making U.S. ports more efficient and secure.

For details go to

<http://usinfo.state.gov/wh/americas/mexico.html>

UNITED STATES, INDIA TO EXPAND AGRICULTURAL COLLABORATION

Edited from a Report by Kathryn McConnell
Washington File Staff Writer
19 October 2006

http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2006&m=October&x=20061019155030AKllenn_oCcM0.492901

A new partnership between the United States and India is intended to expand agricultural science and technology collaboration between the two countries with the goal of reducing hunger and poverty, a top U.S. Department of Agriculture (USDA) official says.

The partnership, called the U.S.-India Agricultural Knowledge Initiative (AKI), seeks to increase agricultural production, said Ellen Terpstra, Deputy Undersecretary for Farm and Foreign Agricultural Services.

During its first three years, the program is slated to focus on improvements in food processing, marketing, biotechnology and water management in India. It also plans to help universities in India develop community farm extension services delivered through programs based in agricultural universities, she said.

Terpstra said that the two nations plan to collaborate on building India's trade and "supportive" policy and regulatory capacity.

SCREENING AGAINST THE BAD GUYS®

Reprinted with permission from the Oct 2006 Edition of IOMA's "Managing Imports and Exports"® MIE's 'Ask the Experts' team - Alan Gaudio, Robert Imbriani, and Joseph Zodi, consultants for Unz & Co. - answer readers' import- or export-related questions. This month's column is by Robert Imbriani, Vice President International, Team Worldwide (www.teamworldwide.net)
We attempt to answer all inquiries submitted but cannot guarantee a response. Readers may submit questions to cdhorner@ioma.com.

With the step up in enforcement and fines, what's the best way to screen clients against "bad guy" lists? How many lists are there? Do we need to spend a fortune on high-end software or an automated service to ensure compliance?

To ensure you aren't dealing with a restricted party or an unacceptable end-user or end-use, an exporter must check several lists against any ultimate and intermediate consignees or third parties involved in the transaction. The primary "bad guy" lists are the Denied Parties List, Debarred List, Entities List, Specially Designated Nationals, and Unverified List—all available on the Bureau of Industry and Security (BIS)'s Web site (www.bis.doc.gov under "Lists to check"). The lists (except the Entities List) contain the names of individuals, companies, and entities that no longer have the right to be a party (exporter, consignee, or third party) to an export transaction originating in the United States. The Entities List provides specific licensing requirements under the Export Administration Regulations (EAR) for the entities listed. The lists are administered by BIS, the State Department, and U.S. Treasury's Office of Foreign Asset Controls (OFAC). There are other lists, but these are the primary ones you are required to check. Screening against these lists is an area of export compliance that isn't followed by many exporters. Relying on forwarders to screen on your behalf is not prudent compliance practice, since most forwarders aren't conducting such screening—although the number that do is growing. As a "best practice," screen clients at the time of first contact, when an order or commitment is finalized, and at the time of export. It's critical that all exporters adopt screening as part of their overall export management system (EMS), regardless of other controls that may or may not apply to your products or transactions.

Export volume determines the most efficient screening method. Exporters with very low volumes may be able to manually screen, using the lists online or using the limited "search" capabilities available on several desktop programs. Higher-volume exporters will have to consider an automated system. It can range from simple but effective online portal services (for about \$1,600 per year per user for unlimited use) to fully integrated systems (running as much as \$35,000). The number of companies offering these services has expanded over the years, and an exporter now has a variety of choices.

REMINDER! CHANGES TO THE HARMONIZED SYSTEM CONVENTION TAKE EFFECT IN 2007!

*Copied with permission from the publisher - www.shipsolutions.com

Edited from the August 2006 Article by John Goodrich

The United States is a contracting member to the international classification standard known as the Harmonized Convention. The World Customs Organization (WCO) maintains the convention and is responsible for keeping it current so that it reflects technical developments and changes in trade patterns. The next revision will take effect in January 2007, and will be the third major change to the convention since its implementation in 1988. The last major revisions to the tariff took effect in 2002 and focused predominantly on the dramatic changes that had occurred in technology. The 2007 changes are much more wide ranging and, as a result, will affect many more importers and exporters.

While the initial impact upon companies will be the administrative burden of updating classification databases, businesses should not forget the legal obligation to properly classify imported and exported products. Fines and penalties for incorrect classifications are levied upon the importer and the exporter and rarely upon the broker or forwarder.

Firms that do not have the expertise to determine proper classifications will need to develop or hire it. International Business Training (IBT) offers excellent training in this area <http://www.i-b-t.net/>. The U.S. International Trade Commission has published an excellent document on its website detailing the changes to take effect in 2007. http://www.usitc.gov/tata/hts/other/rel_doc/fr/index.htm
Within this report you will find the list of the eight-digit classifications, which will be changing.

Importers, in particular, should review this report for the potential duty affect upon their firms. All importers and exporters should take measures to ensure the transition between the old edition and the new revisions is a smooth one. One measure would be to provide your brokers and forwarders with a classification database showing the old classifications and the revised classifications.

While the changes are intended to take effect on January 1, 2007, the technical, administrative and legislative processes built into the law might cause a delay in implementation. The 2002 changes, for example, did not take effect until January 10.

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement.

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